

ABSTRACT OF THE INVENTION

A method for motion accounting and compensation while encoding allows improvement of the restored image quality. Image is a predicted frame in video sequence. Motion compensation is understood as an error residual signal compressing scheme, executed during video sequence encoding. According to the teachings of the current invention, errors are accounted for during encoding. Error accounting is subtracting the original image from the predicted frame. The error values are written to the output stream compactly with the minimum code length. The stored error values are added to the predicted frame during the decoding process. The method taught herein is applied for all the predicted frames from the video sequence, thereby allowing one to improve the quality of decompressed video film that was compressed with a significant compression ratio.